

0100550073

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.
20006-2973
(202) 393-2266
FAX (202) 393-2156

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

March 7, 1995

RECORDATION NO. 19280
MAR 7 - 1995
RECEIVED
OFFICE OF THE
SECRETARY
MAR 7 11 40 AM '95
LICENSING BRANCH

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three (3) copies of a Security Agreement-Chattel Mortgage, dated as of March 7, 1995, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Debtor: ACF Industries, Incorporated
3301 Rider Trail South
Earth City, Missouri 63045-1383

Secured Party: Tokyo Leasing (U.S.A.) Inc.
2 Gannett Drive
White Plains, New York 10604

IBJ Schroder Leasing Corporation
One State Street
New York, New York 10004

A description of the railroad equipment covered by the enclosed document is

438 railcars bearing ACFX reporting marks and road numbers set forth on Schedule A to the Security Agreement.

Counterparts - 4 copies

Mr. Vernon A. Williams
March 7, 1995
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return two stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'R. Alvord', written in dark ink.

Robert W. Alvord

RWA/bg
Enclosures



Interstate Commerce Commission
Washington, D.C. 20423-0001

3/7/95

Office Of The Secretary

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC. 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/7/95 at 11:45AM, and assigned recordation number(s). 19280.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

(0100550073)

\$21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

Recorded 19280
MAR 10 1995
FBI

SECURITY AGREEMENT - CHATTEL MORTGAGE

AMONG

ACF INDUSTRIES, INCORPORATED,

DEBTOR

AND

TOKYO LEASING (U.S.A.) INC.,

AND

IBJ SCHRODER LEASING CORPORATION,

INDIVIDUALLY AND AGENT FOR THE LENDERS

Dated as of March 7, 1995

TABLE OF CONTENTS

Section 1.	DEFINITIONS	1
Section 2.	SECURITY	4
2.01	Grant of Security	4
2.02	Equipment Collateral	5
2.03	Rental Collateral	5
2.04	Cash Collateral Account	6
Section 3.	COVENANTS AND WARRANTIES OF DEBTOR	6
3.01	Maintenance of Equipment	6
3.02	Insurance	6
3.03	Preservation of Collateral	7
3.04	Further Assurances	8
3.05	Recordation and Filing	9
3.06	Power of Attorney	9
3.07	Chief Executive Office	10
3.08	Acquisition of Interest in the Equipment	10
3.09	Actions Under the Equipment Leases	11
3.10	Right to Inspect the Collateral	11
3.11	Reports	11
3.12	Marking of Equipment	12
3.13	Use of Equipment	13
3.14	Replacement Units and Replacement Leases	13
Section 4.	SPECIAL PROVISIONS CONCERNING LEASES	13
4.01	Debtor's Rights Under Equipment Leases	13
4.02	Equipment Lease Location and Legend	13
4.03	Expired Leases	14
Section 5.	COLLATERAL	14
5.01	Possession of Collateral	14
5.02	Casualty Loss; Insurance Proceeds; Cash Collateral Account	15
Section 6.	SECURED PARTY'S RIGHTS	17
6.01	Secured Party's Rights	17
6.02	Effect of Sale	19
6.03	Application of Sale Proceeds	19
6.04	Discontinuance of Remedies	20
6.05	Cumulative Remedies	20

6.06 Indemnity	20
7.02 Authorization and Action	22
7.03 Successor Agent	22
Section 8. MISCELLANEOUS	23
8.02 Entire Agreement	23
8.03 Partial Invalidity	23
8.04 Notices	23
8.05 Termination	23
8.06 GOVERNING LAW	23
8.07 Submission to Jurisdiction	24
8.08 Counterparts	24
8.09 Headings	24
8.10 Waiver of Jury Trial	25

SECURITY AGREEMENT - CHATTEL MORTGAGE

SECURITY AGREEMENT - CHATTEL MORTGAGE dated as of March 7, 1995 (the "Security Agreement") among (1) ACF INDUSTRIES, INCORPORATED, a New Jersey corporation (the "Debtor"), and (2) IBJ SCHRODER LEASING CORPORATION, a New York corporation ("IBJ"), individually and as agent for the ratable benefit of the Lenders, as defined below (in such capacity, together with its successors in such capacity, the "Agent") and TOKYO LEASING (U.S.A.) INC., a Delaware corporation ("Tokyo Leasing", and together with IBJ in its capacity as lender to the Debtor, collectively, the "Lenders").

RECITALS

A. Pursuant to Section 2.01 of the Loan Agreement and subject to the conditions therein set forth, IBJ and Tokyo Leasing have agreed severally but not jointly to make loans to the Debtor in the aggregate principal amount of Fifteen Million Dollars (\$15,000,000.00) (collectively, the "Secured Loan") evidenced by a secured promissory note executed by the Debtor in favor of Tokyo Leasing or its registered assigns in the amount of Five Million Dollars (\$5,000,000.00) and by a secured promissory note executed by the Debtor in favor of IBJ or its registered assigns in the amount of Ten Million Dollars (\$10,000,000.00).

B. The principal of and interest on the Secured Loan and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Loan Agreement, the Notes, this Security Agreement and the other Loan Documents are hereinafter sometimes referred to as "indebtedness hereby secured."

Section 1. DEFINITIONS

1.01 Terms defined in the preamble hereof shall have their respective meanings when used herein and as used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Capitalized terms used but not defined here shall have the meanings assigned to them in the Loan Agreement. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" shall mean the Association of American Railroads.

"AAR Value" shall mean, with respect to any railcar included in the Equipment or any proposed Replacement Unit, the settlement value of such railcar as determined in accordance with Rule 107 -- Damaged and/or Destroyed Cars (or any successor rule) of the AAR as published in the most recent edition of the Field Manual of the A.A.R. Interchange Rules (or a successor publication).

"Agent" shall have the meaning specified in the first paragraph hereof.

"Cash Collateral Account" shall have the meaning specified in Section 5.02(a) (A) hereof.

"Casualty Date" shall have the meaning specified in Section 5.02 (a) hereof.

"Casualty Loss" shall have the meaning specified in Section 5.02 (a) hereof.

"Casualty Loss Proceeds" shall have the meaning specified in Section 5.02(a) hereof.

"Casualty Total" shall have the meaning specified in Section 5.02(a) hereof.

"Casualty Total Date" shall have the meaning specified in Section 5.02(a) hereof.

"Collateral" shall have the meaning specified in Section 2 hereof.

"Equipment" shall have the meaning specified in Section 2.02 hereof.

"Equipment Leases" shall have the meaning specified in Section 2.03 hereof.

"Equipment Lessees" shall mean the lessees, as lessees under the Equipment Leases.

"Equipment Lease Proceeds" shall have the meaning specified in Section 2.03 hereof.

"Expired Lease" shall have the meaning specified in Section 4.03 hereof.

"IBJ" shall have the meaning specified in the first paragraph hereof.

"ICA" shall mean the Interstate Commerce Act, as amended, and the regulations and rulings promulgated thereunder.

"Items of Equipment" shall have the meaning specified in Section 2.02 hereof.

"Lien" shall have the meaning specified in Section 3.03 hereof.

"Loan Agreement" means the Term Loan Agreement of even date herewith by and among (1) the Debtor, (2) Tokyo Leasing and IBJ as the same may be amended, supplemented or otherwise modified from time to time.

"New Rolling Stock" shall mean Rolling Stock first placed in service no earlier than 1983 which is not subject to any Liens.

"Original Lease" shall have the meaning specified in the definition of "Replacement Lease" in this Section 1.

"Permitted Lien" shall have the meaning specified in Section 3.03 hereof.

"Replacement Lease" shall mean a lease entered into by the Debtor in an arms-length transaction that imposes no additional material obligations on the Debtor than those imposed by the Expired Lease or the Equipment Lease to which the original Item of Equipment being replaced was subject (such lease being the "Original Lease"), as the case may be, and is with a lessee that the Lenders reasonably determine is comparable in creditworthiness to the lessee under the Expired Lease or the original Lease, as applicable, and which is otherwise in form and substance reasonably acceptable to the Lenders.

"Replacement Unit" shall mean replacement units of New Rolling Stock of at least equal AAR Value and utility of any Item of Equipment being replaced pursuant to this Security Agreement, calculated: (x) as of the Casualty Date with respect to a replacement made pursuant to Sections 5.02(a) or (b); or (y) as of the date of release with respect to a replacement made pursuant to Section 5.02(b) hereof; or (z) as

of the expiration date of the Expired Lease with respect to a replacement made pursuant to Section 4.03.

"Rolling Stock" shall mean standard gauge railroad rolling stock, other than passenger equipment or work equipment, used or intended for use in connection with interstate commerce; excluding however, railroad rolling stock scrapped or intended to be scrapped.

"Secured Loan" shall have the meaning specified in the first recital hereof.

"Security Agreement" shall mean this Security Agreement as specified in the first paragraph hereof.

"Tokyo Leasing" shall have the meaning specified in the first paragraph hereof.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York unless otherwise specified, as amended.

Section 2. SECURITY

2.01 Grant of Security. The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from each Lender and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, and in order to secure the due payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness and liabilities of the Debtor to the Lenders and the performance and observance by the Debtor of all its obligations contained in or arising out of the Loan Agreement, this Security Agreement, the Notes and the other Loan Documents (sometimes referred to herein collectively as the "Obligations"), does hereby assign, mortgage, pledge, hypothecate, transfer and set over to the Agent and grant the Agent, for the ratable benefit of the Lenders, a first priority lien on and security interest in all of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 2.02, 2.03 and 2.04 hereof (all of which properties are hereinafter collectively referred to as the "Collateral").

2.02 Equipment Collateral. The Collateral includes certain railroad tank cars and covered hopper cars which cars are more fully described in Schedule A hereto (collectively, the "Equipment" or "Items of Equipment" and individually, an "Item of Equipment") together with all accessories, equipment, parts and appurtenances appertaining or attached to such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to or proceeds of any and all of said Equipment, together with all the records, rents, mileage credits earned, issues, income, profits, avails and other proceeds (including insurance proceeds) therefrom.

2.03 Rental Collateral.

(a) The Collateral also includes, all right, title, interest claims and demands of the Debtor in, to and under each and every lease (whether or not such lease is in writing or is for a term certain, including, without limitation, per diem leases) now or hereafter entered into relating to the Equipment but to and only to the extent relating to the Equipment (each such portion of such lease being an "Equipment Lease") including, but not limited to the Equipment Leases (including all Replacement Leases) more fully described in Schedule B hereto, or hereafter described on one or more Schedules to any supplement hereto, including any extensions of the term of every Equipment Lease, all of Debtor's rights under any Equipment Lease to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, waiver or approval together with full power and authority with respect to any Equipment Lease to demand, receive, enforce, collect or give receipt for any of the foregoing rights or any property which is the subject of any of the Equipment Leases, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Agent) may be necessary or advisable in connection with any of the foregoing insofar, but only insofar, as such rights relate to the Equipment which is subject to such Equipment Leases, all records related to the Equipment Leases and all payments due and to become due under any Equipment Lease, whether as contractual obligations, damages, casualty payments, insurance proceeds or otherwise to the extent such payments are derived from the Equipment (the "Equipment Lease Proceeds")

(b) It is expressly agreed that anything herein contained to the contrary notwithstanding, the Debtor shall

remain liable under the Equipment Leases to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and none of the Agent or the Lenders or the Transferees shall have any obligation or liability under the Equipment Leases by reason of or arising out of the assignment hereunder, nor shall the Agent nor any of the Lenders or the Transferees be required or obligated in any manner to perform or fulfill any obligations of the Debtor under or pursuant to the Equipment Leases or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) The Agent shall be entitled to collect and receive the Equipment Lease Proceeds only upon the occurrence of and during the continuance of an Event of Default.

2.04 Cash Collateral Account. Collateral also includes the Cash Collateral Account, all amounts from time to time on deposit therein and all investments made with the proceeds thereof and all interest earned thereon.

Section 3. COVENANTS AND WARRANTIES OF DEBTOR

The Debtor covenants, warrants and agrees with Agent that until the Obligations are paid in full that:

3.01 Maintenance of Equipment. The Debtor shall maintain and keep, or cause to be maintained and kept, at its or the Equipment Lessees' own cost and expense, each Item of Equipment in good order and repair in compliance with all AAR mechanical regulations and industrial commercial acceptance standards for revenue interchange loading, unless and until it becomes worn out, unsuitable for use, lost or destroyed; provided that any such Item of Equipment so worn out, obsolete, lost or destroyed shall be replaced with a Replacement Unit which is subject to a Replacement Lease in accordance with the provisions of Section 5.02 hereof.

3.02 Insurance.

(a) the Debtor shall maintain, or cause to be maintained at its own expense, with responsible insurance companies acceptable to the Agent, property, liability and

other insurance, on such of its properties, in such amounts, against such risks and in such form as is customarily maintained by similar businesses, and, in any event, with respect to liability insurance, in an amount not less than \$100 million, which insurance shall at all times include coverage for all liabilities covered under, and shall not include, any exclusions other than those set forth in the Debtor's policies of insurance as in effect on the Closing Date.

(b) For purposes of this Section 3.02, liability insurance may include a program of self-insurance for up to Five Million Dollars (\$5,000,000.) of liability exposures; provided that under any such program of self-insurance the Debtor shall maintain, or cause to be maintained, adequate reserves on its books in accordance with GAAP, if applicable, to cover all risks not otherwise insured by an insurance company, and the Debtor shall, within thirty (30) days after the end of each of its fiscal quarters, deliver to the Agent a certificate of a Responsible Officer setting forth evidence of the maintenance of such sufficient reserves as required herein and any other financial statements or records as the Agent may require or request with respect to such program of self-insurance.

(c) The Debtor shall cause the Lenders to be named as an additional insured and loss payee under all policies of insurance maintained pursuant to the provisions of this Section 3.02 and shall deliver to the Agent (x) on the Closing Date, evidence in form and substance satisfactory to the Agent of such insurance policies, and (y) thereafter, thirty (30) days prior written notice before any cancellation, expiration, cessation, reduction in amount or change in coverage thereof shall become effective.

3.03 Preservation of Collateral.

(a) The Debtor will warrant and defend the title to the Collateral against all claims and demands of all Persons except Persons claiming by, through or under the Agent, the Lenders or the Transferees. The Debtor will not assign, sell, lease, transfer or otherwise dispose of, nor will the Debtor suffer or permit any of the same to occur with respect to the Collateral except as provided in Section 5.02(b). The Debtor will not create, assume or suffer to exist any Lien on the Collateral other than Permitted Liens (as hereinafter defined) and the Debtor shall pay or discharge, at its own cost and expense, any and all claims, liens or charges other than

Permitted Liens. As used herein, "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind. As used herein, "Permitted Liens" shall mean:

(i) the Liens created by this Security Agreement and by the Equipment Leases;

(ii) the Liens arising from taxes, assessments or governmental charges or levies either not yet assessed or, if assessed not yet due or contested in good faith by appropriate proceedings (and for which adequate reserves have been made in the Debtor's books in accordance with GAAP consistently applied)

(iii) mechanics', materialmen's, suppliers', warehousemen's, workmen's, repairmen's, employees', or other like Liens arising by operation of law in the ordinary course of business for amounts which are either not yet due or are not yet overdue for more than 15 days or are being contested in good faith by appropriate proceedings (and for which adequate reserves have been made in the Debtor's books in accordance with GAAP consistently applied or when required in order to pursue such proceedings, an adequate bond has been obtained) so long as such proceedings do not involve any danger of sale, forfeiture or loss, of Equipment; and

(iv) Liens arising out of judgments or awards against the Debtor which are being contested in good faith by appropriate proceedings (and for the payment of which an adequate bond has been obtained) and with respect to which there shall have been secured a stay of execution pending such appeal or proceedings for review, so long as such proceedings, in the judgment of the Agent, do not involve any danger of sale, forfeiture or loss, of Equipment.

(b) The Debtor shall advise the Agent and the Lenders promptly, in reasonable detail, of any Lien or claim made or asserted against any of the Collateral and of any event affecting the Agent's security interest in the Collateral.

3.04 Further Assurances. The Debtor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary for the perfection and maintenance of the perfection

of the security interests in the Collateral, whether now owned or hereafter acquired, with the ICC, pursuant to the UCC and ICA, and with the Registrar General of Canada pursuant to the Railway Act (Canada) and as the Agent or any Lender acting through the Agent may consider necessary or desirable.

3.05 Recordation and Filing.

(a) The Debtor will (x) cause this Security Agreement and any supplements hereto at all times to be executed, recorded and filed, at no expense to the Agent or the Lenders, with the ICC and with the Registrar General of Canada, and all financing and continuation statements to be filed with the Secretary of State of the States of Missouri and New York and with the County Clerks in St. Louis County, Missouri, New York County and Westchester County in the State of New York, and cause such documents and all similar notices required by applicable law to be filed in such other jurisdictions and with such other Federal, state, provincial or local government or agency thereof where the Agent deems it necessary or desirable to perfect, protect, or preserve its lien on the Collateral, in order to fully preserve and protect the rights of the Agent hereunder; and (y) at its own expense, furnish to the Agent promptly after the execution and delivery of any supplement to this Security Agreement, opinions of: (i) Gordon Altman Butowsky Weitzen Shalov & Wein, counsel to the Debtor, (ii) Alvord & Alvord, special ICC counsel to the Debtor, and (iii) Aird & Berlis, special Canadian counsel to the Debtor, or such other counsel as the Agent may reasonably request, which opinions shall cover the matters set forth in paragraphs (e), (f), (j) and (k) of Exhibit C to the Loan Agreement, in accordance with the terms of such Exhibit C, and shall otherwise be in form and substance reasonably satisfactory to the Lenders.

(b) The Debtor hereby authorizes the Agent to take all action (including, without limitation, the filing of this Security Agreement and any supplements thereto and any Uniform Commercial Code Financing Statements or amendments thereto without the signature of the Debtor) which the Agent may deem necessary or desirable to perfect, protect, or preserve the liens and security interests created hereunder and to obtain the benefits of this Security Agreement.

3.06 Power of Attorney.

(a) The Debtor does hereby irrevocably constitute and appoint the Agent and its successors and assigns, upon the

occurrence and during the continuance of an Event of Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for and sue for any and all Equipment Lease Proceeds hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all instruments or commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Agent may deem necessary or appropriate in its sole and complete discretion to perfect, protect and preserve the right, title and interest of the Agent in and to such Equipment Lease Proceeds and the security intended to be afforded hereby.

(b) The parties acknowledge that the powers conferred on the Agent hereunder are solely to protect its interest in the Collateral and that anything herein contained to the contrary notwithstanding, neither the Agent nor its successors or assigns shall have any duty, obligation or liability by reason of or arising out of this Security Agreement to make any inquiry as to the nature or sufficiency of, to present or file any claim with respect to, or to take any action to collect or enforce the payment of, any amounts to which it may be entitled at any time by virtue of this Security Agreement.

3.07 Chief Executive Office. The chief executive office of the Debtor is located at 3301 Rider Trail South, Earth City, Missouri 63045 and all the records related to the Equipment and to the Equipment Leases are kept in said office. The Debtor shall give the Agent and the Lenders thirty (30) days advance written notice of any change of such office address.

3.08 Acquisition of Interest in the Equipment. The Debtor has acquired its interest in the Equipment for its own account and with its general corporate assets and no funds used to acquire any Item of Equipment have been furnished directly or indirectly out of the assets of or in connection with any employee benefit plan (or its related trust) or any separate account in which any employee benefit plan has any interest. As used in this paragraph, the terms "employee benefit plan" and "separate account" shall have the respective meanings assigned to them in ERISA.

3.09 Actions Under the Equipment Leases.

(a) All the Equipment Leases are in full force and effect and are in substantially the form of Exhibit D to the Loan Agreement and the Debtor shall not enter into any agreement amending or supplementing any Equipment Lease in any material respect, execute any waiver or modification of, or consent under the terms of the Lease, settle or compromise any claim against any Equipment Lessee arising under any Equipment Lease, or submit or consent to the submission of any dispute difference or other matter arising under or in respect of any Equipment Lease to arbitration thereunder without the prior written consent of the Agent.

(b) The Debtor shall comply, and use its best efforts to cause each of the Lessees to comply, in all material respects, with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part thereof, or to the operation of the Debtor's business (including all laws of the jurisdictions in which operations involving the Equipment may extend the interchange rules of the Association of American Railroads and all rules of the Interstate Commerce Commission) and the Registrar General of Canada; provided, however, that the Debtor may contest any acts, rules, regulations, orders and directions of such bodies or officials in any reasonable manner which will not, in the sole opinion of the Agent materially adversely affect the Agent's rights or the priority of its security interest in the Collateral;

3.10 Right to Inspect the Collateral. The Debtor shall at any reasonable time, at the request of the Agent, cause the Collateral to be exhibited to the Agent or Lenders (or persons designated by the Agent or Lender) for purposes of inspection, provided that the Equipment, will not be made available for inspection at any Equipment Lessee's facility.

3.11 Reports. On or before February 1, in each year, commencing with the calendar year 1996 to furnish to the Agent an accurate statement (a) setting forth as at the preceding January 1st the amount, description and numbers of all Items of Equipment then covered by an Equipment Lease, the amount, description and numbers of all Items of Equipment that have suffered a Casualty Loss during the preceding calendar year or, in the case of the first such statement, since the date of this Security Agreement (specifying the dates of such Casualty Loss) or to the knowledge of the Debtor are then undergoing repairs (other than running repairs) or are then withdrawn

from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Items of Equipment as the Agent may reasonably request and (b) stating that, in the case of all Items of Equipment repainted or repaired during the period covered by such statement, the numbers and the marking required by Section 3.12 hereof and the Equipment Leases have been preserved or replaced. The Debtor shall keep proper books and records with respect to the Equipment and each Equipment Lease and the other Collateral covered thereby. The Agent shall have the right (but not any obligation) by its agents to inspect the Items of Equipment and the Debtor's records with respect thereto (and the right to make extracts from and to receive from the Debtor true copies of such records relating to the Collateral other than the Equipment Leases except as otherwise provided herein) at such reasonable times as the Agent may request during the continuance of this Security Agreement.

3.12 Marking of Equipment.

(a) Debtor will cause each Item of Equipment to be kept numbered with the identifying number set forth in Schedule A hereto, and at the request of the Agent if the Agent determines that it is necessary in order to perfect, protect or preserve its first security interest in the Collateral, the Debtor shall keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of each Item of Equipment, in letters not less than one inch in height, the words, "Ownership subject to a Security Agreement filed with the Interstate Commerce Commission". The Debtor shall not change, or permit to be changed, the identifying number of any Item of the Equipment except in accordance with a statement of new identifying numbers to be substituted therefor after the Agent has been notified in writing and which statement shall be filed, recorded or deposited in all public offices where this Security Agreement shall have been filed, recorded or deposited. The Debtor shall forthwith furnish to the Agent an opinion of such counsel and in form and substance satisfactory to the Agent to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Agent's first Lien or security interests in such Items of Equipment and no further filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to perfect, protect, or preserve the security interest of the Agent in such Items.

(b) Except as above provided, the Debtor will not allow the name of any Person (other than the Debtor) to be placed on the Item of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may permit the Equipment to be lettered with the names, trademarks, initials or other insignia customarily used by the user of such Equipment or its affiliates.

3.13 Use of Equipment. The Equipment will be used by a lessee, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof), only upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof) or over lines upon which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting with other carriers in the usual interchange of traffic in the continental United States and Canada, only upon and subject to all the terms and conditions of Equipment Leases.

3.14 Replacement Units and Replacement Leases. The representations and warranties of the Debtor with respect to the Equipment and the Equipment Leases which are set forth in Section 4.01(q) of the Loan Agreement shall be true and correct with respect to each Replacement Unit and each Replacement Lease as of the date such Replacement Unit or Replacement Lease becomes subject to this Security Agreement.

Section 4. SPECIAL PROVISIONS CONCERNING LEASES

4.01 Debtor's Rights Under Equipment Leases. Until the occurrence and continuance of an Event of Default, and subject to any limitations set forth herein or in the Loan Agreement, the Debtor may exercise all of the Debtor's rights, powers, privileges and remedies under the Equipment Leases, including, without limitation, the right to receive any and all monies due or to become due under the Equipment Leases, and to retain all copies (original or duplicates) of Equipment Leases.

4.02 Equipment Lease Location and Legend. The Debtor shall keep the original Equipment Leases at its chief executive offices and shall mark all Equipment Leases with the following language:

The rights and interests of ACF Industries, Incorporated under this Lease and all amendments, and riders hereto relating to certain railcars listed herein, and in such railcars, have been assigned to one or more financial institutions or banks listed on the page or pages at the end of this Lease and are subject to a first priority perfected security interest in favor of such financial institutions or banks. To the extent that this Lease constitutes chattel paper, no security interest in this Lease may be created or perfected through the transfer or possession of this counterpart.

The Agent shall have the right from time to time to require the Debtor to mark on the page or pages at the end of the Equipment Leases describing the Equipment in which the Agent has interests hereunder and require the Debtor to place notations of the Agent's interests in the Collateral. The Agent and each Lender shall have the right from time to time to periodically audit the lease records of the Debtor as to the status of the Equipment and Equipment Leases.

4.03 Expired Leases. In the event that any Equipment Lease expires prior to the maturity of the Notes (each, an "Expired Lease") the Debtor shall promptly notify the Lenders, and on that date which is ninety (90) days after such expiration if neither the Expired Lease has been renewed nor the Item of Equipment covered by such Expired Lease been made subject to a Replacement Lease, the Debtor shall, upon the request of the Agent, replace the Equipment leased under such Expired Lease with Replacement Units which are subject to Replacement Leases, and the Debtor shall execute and deliver to the Agent a supplement to this Security Agreement and take all such other actions as are required pursuant to Section 3.05(a) hereof such that the Replacement Units and Replacement Leases shall be subject to the first Lien of this Security Agreement.

Section 5. COLLATERAL

5.01 Possession of Collateral. So long as no Event of Default has occurred and is continuing, the Debtor and each Equipment Lessee party to an Equipment Lease shall be suffered and permitted to remain in full possession, enjoyment and control of the Collateral including without limitation the Equipment Leases itself, and to manage, operate and use the

Collateral and each part thereof with the rights and franchises pertaining to the Collateral; provided always that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of this Security Agreement.

5.02 Casualty Loss; Insurance Proceeds; Cash Collateral Account.

(a) In the event and at such time (a "Casualty Date") that any Item of Equipment, is destroyed, lost, stolen, irreparably damaged, or missing for a period in excess of thirty (30) days, taken by any governmental entity (including without limitation condemnation, confiscation, requisition, taking of title or use by any governmental entity) or otherwise becomes unusable in the business of the Debtor (such event or condition, a "Casualty Loss"), the Debtor shall promptly inform the Agent and the Lenders of the Casualty Loss. At such date (a "Casualty Total Date") that a Casualty Loss has occurred with respect to a total of either (in each case, a "Casualty Total"): (x) any five (5) Items of Equipment, or (y) Items of Equipment having an aggregate AAR Value of Two Hundred Fifty Thousand Dollars (\$250,000), and in the case of (x) or (y), whether such Casualty Losses are the result of one occurrence or several occurrences, the Debtor shall promptly notify the Agent, and at the option of the Debtor, within ten (10) days after such Casualty Total Date, either (i) the Debtor shall deposit into the Cash Collateral Account (defined below) in respect of each Item of Equipment which has become a Casualty Loss an amount in Dollars (as to each such Item, the "Casualty Loss Proceeds") equal to the product of the outstanding principal amount of the Loan multiplied a fraction, (x) the numerator of which is the AAR Value of the specific Items of Equipment subject to such Casualty Loss and (y) the denominator of which is the aggregate AAR Value of all Items of Equipment (it being understood that the Debtor is entitled to any proceeds, whether in respect of insurance proceeds, condemnation awards or other amounts payable in respect of such Items of Equipment), or (ii) Debtor shall replace such Items of Equipment with Replacement Units which are subject to Replacement Leases. (It is understood that upon the taking of the actions set forth in (i) or (ii) with respect to a Casualty Total, for the purpose of determining the next succeeding Casualty Total Date clauses (x) and (y) of the definition of Casualty Total shall be re-set to zero.) Upon the taking of the actions set forth in (i) or (ii) with respect to a Casualty Total, at the request of the Debtor, the

Agent shall take such actions as may reasonably be requested by the Debtor in order to release such Items of Equipment which constituted the Casualty Total from the Lien granted under this Security Agreement, including the delivery to the Debtor of releases in recordable form with the ICC and the Registrar General (Canada) and UCC-3 Release Statements, all at the expense of the Debtor. The Agent shall be entitled to retain such Casualty Loss Proceeds in respect of Items of Equipment that have been the subject of a Casualty Loss, and to hold them as additional Collateral hereunder in accordance with clauses (A) (B) and (C) below.

(A) All such Casualty Loss Proceeds shall be deposited by the Agent into a special cash collateral account (the "Cash Collateral Account") maintained at IBJ Schroder Bank and Trust Company or such other bank designated by the Agent and reasonably acceptable to the Debtor provided such bank agrees to hold such proceeds on behalf of the Agent, under the sole control and dominion of the Agent, for so long as, but only so long as, the Security Agreement shall be in full force and effect.

(B) All amounts from time to time on deposit in the Cash Collateral Account shall, so long as no Event of Default shall have occurred or be continuing, be invested by the Agent at the direction of the Debtor in certificates of deposit with such maturities as Debtor shall request.

(C) Except as otherwise provided in paragraph (b) of this Section 5.02, amounts on deposit in the Cash Collateral Account shall not be released to Debtor except that, so long as no Event of Default, or event or condition that with the giving of notice, the lapse of time or both may become an Event of Default, has occurred and is continuing, the Debtor shall be permitted to use such monies to acquire Replacement Units under this Security Agreement.

(b) In the event that Items of Equipment have been the subject of a Casualty Loss and the Debtor in consequence thereof has deposited Casualty Loss Proceeds in respect thereof pursuant to subsection (a) (i) of this Section 5.02, the Debtor may at any time substitute Replacement Units which are subject to Replacement Leases as provided in subsection (a) (ii) of this Section 5.02, and so long as no Event of Default, or event or condition that with the giving of notice, the lapse of time or both may become an Event of Default, has

occurred and is continuing, the Debtor shall be entitled to release of the Casualty Loss Proceeds attributable to Items of Equipment being replaced and any earnings attributable thereto from the Cash Collateral Account, at such time as the Debtor has replaced the Item or Items of Equipment with respect to which the Casualty Loss Proceeds were paid with Replacement Units which are subject to Replacement Leases and the Debtor has otherwise complied with the provisions of this Section 5.02 and Section 3.05(a) hereof. In the event the Debtor elects to replace an Item of Equipment under an Equipment Lease with a Replacement Unit pursuant to this Section 5.02, such Replacement Unit and the Replacement Lease covering such Replacement Unit shall become subject to the perfected Lien of this Agreement and the security interest of the Agent.

(c) Upon the occurrence and during the continuance of any Event of Default, all Casualty Loss Proceeds and all other amounts standing to the credit of the Cash Collateral Account shall be paid to the Agent and applied by the Agent, as specified in Section 6.03.

Section 6. SECURED PARTY'S RIGHTS

6.01 Secured Party's Rights. The Debtor agrees that when any Event of Default as defined in the Loan Agreement has occurred and is continuing, the Agent shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the ICA and under the UCC (regardless of whether such UCC or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) as applicable, and the Agent shall have the following rights and remedies:

(a) The Agent shall have all the rights of a secured party under the ICA and under the UCC to enforce the security interests contained herein.

(b) The Agent personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the Collateral, or use and operate or lease the Collateral until sold, and the Debtor

shall deliver, or cause to be delivered, possession of the Equipment to the Agent or its agents where the same may be found or at such place or places as the Agent may reasonably require. Notwithstanding anything hereunder to the contrary, so long as no Event of Default has occurred and is continuing unremedied, the original Equipment Leases delivered to the Debtor shall remain at the chief executive offices of the Debtor; provided, however, that in the event an Event of Default has occurred and is continuing, the Debtor shall provide to the Agent the original Equipment Leases or, in case originals are not available because one or more lenders have an interest in leases reflected in the same document as such Equipment Leases, duplicate copies of the Equipment Leases and the Equipment Schedules to master Equipment Leases and, in all cases, all relevant information that the Agent may request regarding all other leases and all other lenders, and if requested by all lenders with a security interest in any Equipment Lease, deliver such Equipment Leases to a trustee designated by the Agent and all the other lenders.

(c) Any Collateral repossessed by the Agent under or pursuant to this Section 6.01 may be sold, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Agent or after any overhaul or repair which the Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 days' written notice to Debtor specifying the times at which such disposition is to be made and the intended sale price or other consideration therefor. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to Debtor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in the City of New York. To the extent permitted by any such requirement of law, the Agent or any Lender may itself bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section

without accountability to Debtor (except to the extent of surplus money received as provided in Section 6.03). In the payment of the purchase price therefor, the Agent shall be entitled to have credit on account of the purchase price thereof of amounts owing to the Agent on account of the indebtedness hereby secured and the Agent may deliver the claims for interest on or principal of the Secured Loan or other indebtedness hereby secured in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. If, under mandatory requirements of applicable law, the Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to Debtor as hereinabove specified, the Agent need give Debtor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(d) The Agent may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other legal or equitable remedy available under applicable law.

6.02 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold, or any part thereof under, by or through the Debtor, its successors or assigns.

6.03 Application of Sale Proceeds. The proceeds of any sale of the Collateral, or any part thereof, and the proceeds of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of all costs and expenses including those of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and reasonable attorneys' fees, incurred or made hereunder, under the Notes, or under the Loan

Agreement or the other Loan Documents, by the Agent or the Lenders;

(b) Second, to the payment of the amounts then owing or unpaid in respect of the Notes and any other amounts owed to the Agent and the Lenders in accordance with the provisions of the Loan Documents; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

6.04 Discontinuance of Remedies. In case the Agent shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Debtor and the Agent shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

6.05 Cumulative Remedies. No delay or omission of the Agent to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Agent of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting there from except as may be otherwise provided herein. The Agent may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Agent be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

6.06 Indemnity. The Debtor agrees to indemnify, protect and hold harmless the Agent and each Lender, and its respective assigns, directors, officers, employees, agents or representatives (each an "Indemnified Party") from and against

all losses, damages, injuries, liabilities, claims, suits, obligations, penalties, actions, judgments, costs, interest and demands of any kind or nature whatsoever (all the foregoing losses, damages etc. are the "indemnified liabilities"), and expenses in connection therewith (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnified Party in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnified Party shall be designated a party thereto, and the expenses of investigation by engineers, environmental consultants and similar technical personnel) arising out of, in connection with, or as the result of any claim for personal injury or property damage arising from the operation, use, condition, possession, storage or repossession of any of the Collateral, or any claim relating to any laws, rules or regulations, including, without limitation, environmental control, noise and pollution laws, rules or regulations entering into or the performance of this Security Agreement, the Loan Agreement, the Notes, and the other Loan Documents, the enforcement of any rights thereunder, the retention by the Agent of a security interest in the Collateral, or arising during the period of any delivery, rejection, storage or repossession of any of the Equipment while a security interest therein remains in the Agent or during the period of the transfer of such security interest in the Collateral by the Agent pursuant to any of the provisions of this Security Agreement; provided, however, that the Debtor shall have no obligation to so indemnify any Indemnified party for any indemnified liabilities arising solely from its willful misconduct or gross negligence. The foregoing indemnity shall survive the termination of this Security Agreement and the Loan Agreement and payment in full of the Obligations.

6.07 Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Agent or any of the Lenders, in connection with the preparation of this Security Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of financing statements and other documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, insurance premiums, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or the enforcing, foreclosing, retaking, holding, storing, processing, selling or otherwise realizing upon the Collateral and the Agent's security interest therein, whether through judicial proceedings or otherwise, or in defending or

prosecuting any actions or proceedings arising out of or related to the transaction to which this Security Agreement relates, shall be borne and paid by the Debtor on demand by the Agent and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the Default Rate prescribed in the Loan Agreement.

Section 7. AGENT.

7.01 Appointment of Agent. The collateral agent for the Lenders under this Security Agreement is, initially, IBJ, and by its execution hereof IBJ accepts such appointment and agrees to act as such under this Security Agreement.

7.02 Authorization and Action. Each Lender hereby appoints and authorizes the Agent to take such action as agent on its behalf, and to exercise such powers under this Security Agreement as are delegated to the Agent by the terms hereof and the Intercreditor Agreement by and between the Lenders of even date herewith, including the establishment of the Cash Collateral Account hereunder, together with such powers as are reasonably incidental thereto.

7.03 Successor Agent. The Agent may resign at any time by giving not less than ten (10) days prior written notice thereof to the Lenders and the Debtor. Upon any such resignation, the other Lender shall have the right to appoint a successor Agent. The Agent must be the holder of a Note under which principal remains outstanding unless no such holder is willing to accept the appointment. If no successor Agent is so appointed and accepts such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, after consulting with the Debtor, on behalf of the Lenders, appoint a successor Agent. Any successor agent appointed hereunder shall be reasonably acceptable to the Debtor. Upon the acceptance of any appointment as Agent hereunder by a successor Agent (which shall be evidenced by a written instrument of acceptance, an original copy of which shall be delivered to Debtor), such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Security Agreement and the Loan Documents.

Section 8. MISCELLANEOUS

8.01 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Agent or the Lenders, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

8.02 Entire Agreement. This Security Agreement, together with the Loan Agreement, the Schedules and other agreements referred to herein, constitute the entire understanding between the parties with respect to the subject matter hereof. All prior agreements, understandings, representations, warranties and negotiations, if any, are merged into this Security Agreement, and this Security Agreement is the entire agreement between the Debtor and the Agent and the Lenders relating to the subject matter hereto. This Security Agreement cannot be changed or terminated orally.

8.03 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

8.04 Notices. All notices and communications provided for herein shall be given to such parties, at such addresses and in such manner as is provided in the Loan Agreement.

8.05 Termination. This Security Agreement and the security interest granted hereby shall terminate when the Obligations have been fully paid or discharged, at which time the Agent shall, at the Debtor's expense, execute and deliver to the Debtor at its expense all Uniform Commercial Code termination statements and such similar documents or proper instrument or instruments which the Debtor shall reasonably request to evidence such termination and the release of Collateral including releases in recordable form under the ICA and the Railway Act (Canada). Upon the release of this Security Agreement, all amounts in the Cash Collateral Account shall be under the sole dominion and control of the Debtor.

8.06 GOVERNING LAW. THIS SECURITY AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE UNDER, CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (OTHER THAN THE LAWS OF THE STATE OF NEW YORK GOVERNING THE CHOICE OF

LAW); PROVIDED, HOWEVER, THAT THE PARTIES SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY 49 U.S.C. SECTION 11303 AND SUCH ADDITIONAL RIGHTS, ARISING OUT OF THE FILING, RECORDING OR DEPOSIT HEREOF, IF ANY.

8.07 Submission to Jurisdiction. Each of the Debtor and the Agent hereby irrevocably submits to the nonexclusive jurisdiction of the Supreme Court of the State of New York, New York County, of the United States of America, and to the jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Security Agreement or the subject matter hereof brought by any party or its successors or assigns, and each party hereto hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by law, in such Federal court, and each party hereto hereby agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Security Agreement or the subject matter hereof may not be enforced in or by such courts. The Debtor hereby generally appoints as its attorney-in-fact, to receive service of process in such action, suit or proceeding ACF Industries, Incorporated c/o Icahn & Co., 1 Wall Street Court, New York, New York 10005. The Debtor agrees that (without prejudice to any other lawful method of service) service of process upon such attorney-in-fact shall constitute valid service upon the Debtor or its successors or assigns. The Debtor also agrees to give the Agent and the Lenders thirty (30) days advance written notice regarding any change related to the Agent for Service of Process, and so long as any amount remains outstanding and unpaid hereunder, under any Note or the Security Agreement to maintain an agent in New York County for the receipt of process as aforesaid.

8.08 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

8.09 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of

this Security Agreement nor shall they affect its meaning, construction or effect.

8.10 Waiver of Jury Trial. BY ITS SIGNATURE BELOW WRITTEN EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first above written.

ACF INDUSTRIES, INCORPORATED

By: 

Name: Robert J. Mitchell
Title: Treasurer

TOKYO LEASING (U.S.A.) INC.

By: 

Name: Charles McLaughlin
Title: Vice President

IBJ SCHRODER LEASING CORPORATION,
as Agent and as Lender

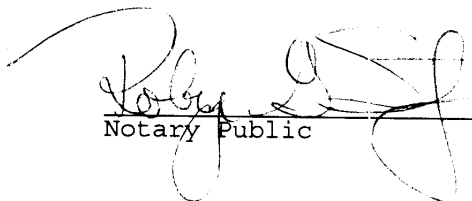
By: 

Name: Donald Howell
Title: Vice President

[Signature Page to Security Agreement]

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

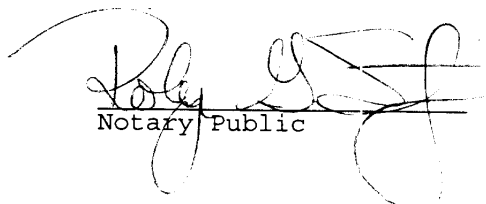
On this 3rd day of March, 1995, before me, personally appeared Robert J. Mitchell to me personally known, who being by me duly sworn, says that he resides at Woodbury, New York and is Treasurer of ACF Industries, Incorporated, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

ROBYN G. STEINBERG
Notary Public, State of New York
No. 01ST5026264
Qualified in New York County
Commission Expires April 18, 1996

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

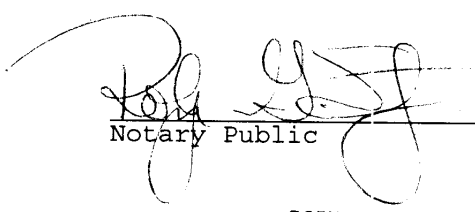
On this 3rd day of March, 1995, before me, personally appeared Donald Howell to me personally known, who being by me duly sworn, says that he resides at Lincroft, New Jersey and is Vice President of IBJ Schroder Leasing Corporation, as Agent and as Lender, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

ROBYN G. STEINBERG
Notary Public, State of New York
No. 01ST5026264
Qualified in New York County
Commission Expires April 18, 1996

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 3rd day of March, 1995, before me, personally appeared Charles McLaughlin to me personally known, who being by me duly sworn, says that he resides at ~~Minnetonka, MN~~ and is Vice President of Tokyo Leasing (U.S.A.) Inc., that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

ROBYN G. STEINBERG
Notary Public, State of New York
No. 01ST5026264
Qualified in New York County
Commission Expires April 18, 1996

AAR
CAR
TYPE

C214	ACFX	38334	ACFX	38370	ACFX	38371	ACFX	38372	ACFX	38373
	ACFX	38374	ACFX	38375	ACFX	38376	ACFX	38377	ACFX	38378
	ACFX	38379	ACFX	38436	ACFX	38530	ACFX	38531	ACFX	38532
	ACFX	38533	ACFX	38534	ACFX	38535	ACFX	38537	ACFX	38538
	ACFX	38539	ACFX	38540	ACFX	38541	ACFX	38542	ACFX	38543
	ACFX	38544	ACFX	38546	ACFX	38547	ACFX	38548	ACFX	38549
	ACFX	38550	ACFX	38552	ACFX	38553	ACFX	38556	ACFX	38557
	ACFX	38558	ACFX	38560	ACFX	38561	ACFX	38563	ACFX	38564
	ACFX	38565	ACFX	38567	ACFX	38568	ACFX	38569	ACFX	38572
	ACFX	38574	ACFX	38578	ACFX	38579	ACFX	38580	ACFX	38583
	ACFX	38584	ACFX	38588	ACFX	38591	ACFX	38597	ACFX	38598
	ACFX	38599	ACFX	38606	ACFX	38613	ACFX	38616	ACFX	38619
	ACFX	38621	ACFX	38623	ACFX	38626	ACFX	38627	ACFX	38629
	ACFX	38634	ACFX	38635	ACFX	38637	ACFX	38638	ACFX	38641
	ACFX	38643	ACFX	38645	ACFX	38655	ACFX	38656	ACFX	38658
	ACFX	38676	ACFX	38677	ACFX	38706	ACFX	38707	ACFX	38708
	ACFX	38709	ACFX	38710	ACFX	38711	ACFX	38712	ACFX	38713
	ACFX	38714	ACFX	38715	ACFX	38716	ACFX	38717	ACFX	38718
	ACFX	38719	ACFX	38720	ACFX	38721	ACFX	38722	ACFX	38723
	ACFX	38724	ACFX	38725	ACFX	38726	ACFX	38727	ACFX	38728
	ACFX	38729	ACFX	38730	ACFX	38731	ACFX	38732	ACFX	38733
	ACFX	38734	ACFX	38735	ACFX	38736	ACFX	38737	ACFX	38738
	ACFX	38739	ACFX	38740	ACFX	38741	ACFX	38742	ACFX	38743
	ACFX	38744	ACFX	38745	ACFX	38746	ACFX	38747	ACFX	38748
	ACFX	38749	ACFX	38750	ACFX	38751	ACFX	38786	ACFX	38787
	ACFX	38788	ACFX	38789	ACFX	38790	ACFX	38791	ACFX	38792
	ACFX	38793	ACFX	38794	ACFX	38795	ACFX	38796	ACFX	38797
	ACFX	38798	ACFX	38799	ACFX	38800	ACFX	38801	ACFX	38802
	ACFX	38803	ACFX	38804	ACFX	38805	ACFX	38806	ACFX	38807
	ACFX	38808	ACFX	38809	ACFX	38810	ACFX	38811	ACFX	38812
	ACFX	38813	ACFX	38814	ACFX	38815	ACFX	38816	ACFX	38817
	ACFX	38818	ACFX	38819	ACFX	38820	ACFX	38821	ACFX	38822
	ACFX	38823	ACFX	38824	ACFX	38825	ACFX	38826	ACFX	38827
	ACFX	38828	ACFX	38829	ACFX	38833	ACFX	38861	ACFX	38864
	ACFX	38865	ACFX	38866	ACFX	38867	ACFX	38868	ACFX	38869
	ACFX	38870	ACFX	38871	ACFX	38872	ACFX	38873	ACFX	38874
	ACFX	38875	ACFX	38876	ACFX	38877	ACFX	38878	ACFX	38879
	ACFX	38880	ACFX	38881	ACFX	38882	ACFX	38883	ACFX	38884
	ACFX	38902	ACFX	38957	ACFX	38958	ACFX	38959	ACFX	38961
	ACFX	38963	ACFX	38964	ACFX	38965	ACFX	39152	ACFX	39318
	ACFX	39319	ACFX	39320	ACFX	39323	ACFX	39324	ACFX	39325
	ACFX	39327	ACFX	39329	ACFX	39376	ACFX	39379	ACFX	39380
	ACFX	39412	ACFX	39413	ACFX	39429	ACFX	39431	ACFX	39432
	ACFX	39434	ACFX	39435	ACFX	39436	ACFX	39437	ACFX	39438
	ACFX	39439	ACFX	39440	ACFX	39441	ACFX	39442	ACFX	39443
	ACFX	39444	ACFX	39445	ACFX	39446	ACFX	39447	ACFX	39448
	ACFX	39449	ACFX	39450	ACFX	39451	ACFX	39452	ACFX	39453
	ACFX	39454	ACFX	39455	ACFX	39456	ACFX	39457	ACFX	39458
	ACFX	39459	ACFX	39460	ACFX	39461	ACFX	39462	ACFX	39463
	ACFX	39464	ACFX	39465	ACFX	39466	ACFX	39468	ACFX	39469

AAR
CAR
TYPE

ACFX	39470	ACFX	39471	ACFX	39472	ACFX	39606	ACFX	39607	
ACFX	39609	ACFX	39611	ACFX	39612	ACFX	39614	ACFX	39615	
ACFX	39616	ACFX	39617	ACFX	39627	ACFX	39628	ACFX	39629	
ACFX	39631	ACFX	39632	ACFX	39633	ACFX	39644	ACFX	39646	
ACFX	39649	ACFX	39652	ACFX	39653	ACFX	40305	ACFX	40306	
ACFX	40307	ACFX	40308	ACFX	40309	ACFX	40310	ACFX	40311	
ACFX	40312	ACFX	40313	ACFX	40314	ACFX	40315	ACFX	40316	
ACFX	40317	ACFX	40318	ACFX	40319	ACFX	40320	ACFX	40321	
ACFX	40322	ACFX	40323	ACFX	40324	ACFX	40354	ACFX	40393	
C214	TTL	295	CARS							
C414	ACFX	38389								
C414	TTL	1	CARS							
C614	ACFX	38390	ACFX	38391	ACFX	38392	ACFX	38393	ACFX	38394
	ACFX	38395	ACFX	38396	ACFX	38397	ACFX	38398	ACFX	51012
	ACFX	51013	ACFX	51014	ACFX	51015	ACFX	51016	ACFX	51017
	ACFX	51018	ACFX	51019	ACFX	51020	ACFX	51021	ACFX	51022
	ACFX	51023	ACFX	51143	ACFX	51144	ACFX	51145	ACFX	51146
	ACFX	51147	ACFX	51148	ACFX	51149	ACFX	51152	ACFX	51158
	ACFX	51162	ACFX	51163	ACFX	51164	ACFX	51165	ACFX	51166
	ACFX	51167	ACFX	51168	ACFX	51169	ACFX	51170	ACFX	51171
	ACFX	51172	ACFX	51173	ACFX	51174	ACFX	51175	ACFX	51180
	ACFX	51181	ACFX	51182	ACFX	51183	ACFX	51184	ACFX	51185
	ACFX	51186	ACFX	51187	ACFX	51188	ACFX	51189	ACFX	51190
	ACFX	51191	ACFX	51192	ACFX	51193	ACFX	51194	ACFX	51196
	ACFX	51197	ACFX	51198	ACFX	51199	ACFX	51200	ACFX	59928
	ACFX	59929	ACFX	59954	ACFX	59955	ACFX	59956	ACFX	59957
	ACFX	59958	ACFX	59996						
C614	TTL	72	CARS							
C714	ACFX	38338	ACFX	38339	ACFX	38340	ACFX	38341	ACFX	38342
	ACFX	38343	ACFX	38344	ACFX	38345	ACFX	38346	ACFX	38347
C714	TTL	10	CARS							
T103	ACFX	71482	ACFX	71483	ACFX	71484	ACFX	71485	ACFX	71486
	ACFX	71487	ACFX	71488	ACFX	71489	ACFX	71490	ACFX	71491
	ACFX	71492	ACFX	71493	ACFX	71494	ACFX	71495		
T103	TTL	14	CARS							
T105	ACFX	71161	ACFX	76807	ACFX	76808	ACFX	76809	ACFX	76810
	ACFX	76811	ACFX	76812	ACFX	76813	ACFX	76814	ACFX	76978
	ACFX	76981	ACFX	76982	ACFX	76983	ACFX	76984	ACFX	76985
	ACFX	76988	ACFX	76990	ACFX	76992	ACFX	76995		
T105	TTL	19	CARS							
T107	ACFX	71198	ACFX	71199	ACFX	71213	ACFX	71215	ACFX	71219
	ACFX	71222	ACFX	71224	ACFX	76877	ACFX	76878	ACFX	76879

AAR
CAR
TYPE

ACFX	76880	ACFX	76881	ACFX	76882	ACFX	76883	ACFX	76884
ACFX	76885	ACFX	76886	ACFX	76887	ACFX	76888	ACFX	76889
ACFX	76890	ACFX	76891	ACFX	76892	ACFX	76893	ACFX	76894
ACFX	76895	ACFX	76896						
T107	TTL		27	CARS					
****	TTL		438	CARS					

The C214, C414, C614, C714 AAR codes represent covered hopper railcars.

The T103, T105, T107 represents tank railcars.

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
A SCHULMAN INCORPORATED	3809	ACFX 39319 ACFX 39320 ACFX 39323 ACFX 39324 ACFX 39325 ACFX 39327 ACFX 39329	
A SCHULMAN INCORPORATED	3809		7
A SCHULMAN INCORPORATED			7
A. E. STALEY MANUFACTURING COMPAN	3689	ACFX 51017 ACFX 51018 ACFX 51019 ACFX 51020 ACFX 51021 ACFX 51022 ACFX 51023	
A. E. STALEY MANUFACTURING COMPAN	3689		7
A. E. STALEY MANUFACTURING COMPAN			7
ADM MILLING COMPANY	3787	ACFX 51148 ACFX 51149	
ADM MILLING COMPANY	3787		2
ADM MILLING COMPANY			2
AIR PRODUCTS AND CHEMICALS INC.	3587	ACFX 38809	
AIR PRODUCTS AND CHEMICALS INC.	3587		1
AIR PRODUCTS AND CHEMICALS INC.			1
ALLIED-SIGNAL, INC.	62110173	ACFX 38619 ACFX 38638 ACFX 38902	
ALLIED-SIGNAL, INC.	62110173		3
ALLIED-SIGNAL, INC.			3
ARISTECH CHEMICAL CORPORATION	27530103	ACFX 38861 ACFX 38864 ACFX 38865 ACFX 38866 ACFX 38867 ACFX 38868 ACFX 38869 ACFX 38870 ACFX 38871 ACFX 38872 ACFX 38873	

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
ARISTECH CHEMICAL CORPORATION	27530103	ACFX 38874 ACFX 38875 ACFX 38876 ACFX 38877 ACFX 38878 ACFX 38879 ACFX 38880 ACFX 38881 ACFX 38882 ACFX 38883 ACFX 38884	22
ARISTECH CHEMICAL CORPORATION	27530105	ACFX 39606 ACFX 39607 ACFX 39609 ACFX 39611 ACFX 39612 ACFX 39614 ACFX 39615 ACFX 39616 ACFX 39617	9
ARISTECH CHEMICAL CORPORATION			31
ASHLAND OIL, INC.	3744	ACFX 71161	1
ASHLAND OIL, INC.	3744		1
ASHLAND OIL, INC.			1
BORDEN PACKAGING & INDUSTRIAL PRO	99660110	ACFX 38436	1
BORDEN PACKAGING & INDUSTRIAL PRO	99660110		
BORDEN PACKAGING & INDUSTRIAL PRO	99660111	ACFX 38957 ACFX 38961 ACFX 38964 ACFX 38965	4
BORDEN PACKAGING & INDUSTRIAL PRO	99660111		5
BORDEN PACKAGING & INDUSTRIAL PRO			
CHEVRON U.S.A. PRODUCTS COMPANY	5840	ACFX 39627	1
CHEVRON U.S.A. PRODUCTS COMPANY	5840		1
CHEVRON U.S.A. PRODUCTS COMPANY			1
CON AGRA INC	42070002	ACFX 39629 ACFX 39631	2
CON AGRA INC	42070002		

LESSEE	CONTRACT/ RIDER		CAR IDENT	TOTAL CARS
CON AGRA INC				2
E.C.C.I.	5000	ACFX	59996	
E.C.C.I.	5000			1
E.C.C.I.	56190010	ACFX	59928	
E.C.C.I.	56190010	ACFX	59929	2
E.C.C.I.				3
ENGELHARD CORPORATION	77300025	ACFX	38338	
		ACFX	38339	
		ACFX	38340	
		ACFX	38341	
		ACFX	38342	
		ACFX	38343	
		ACFX	38344	
		ACFX	38345	
		ACFX	38346	
		ACFX	38347	
ENGELHARD CORPORATION	77300025			10
ENGELHARD CORPORATION				10
FORMOSA PLASTICS CORPORATION USA	00100B	ACFX	38574	
FORMOSA PLASTICS CORPORATION USA	00100B			1
FORMOSA PLASTICS CORPORATION USA				1
GEORGIA PACIFIC RESINS, INC.	6031	ACFX	76978	
		ACFX	76981	
		ACFX	76983	
		ACFX	76984	
		ACFX	76990	
		ACFX	76992	
		ACFX	76995	
GEORGIA PACIFIC RESINS, INC.	6031			7
GEORGIA PACIFIC RESINS, INC.				7
H. MUEHLSTEIN & CO INC	3560	ACFX	38740	
		ACFX	38741	
		ACFX	38742	
		ACFX	38743	
		ACFX	38744	
		ACFX	38745	
		ACFX	38746	
		ACFX	38747	
		ACFX	38748	
		ACFX	38749	

LESSEE	CONTRACT/ RIDER		CAR IDENT	TOTAL CARS
H. MUEHLSTEIN & CO INC	3560	ACFX	38750	
H. MUEHLSTEIN & CO INC	3560	ACFX	38751	12
H. MUEHLSTEIN & CO INC				12
J M HUBER CORPORATION	3840	ACFX	51143	
		ACFX	51144	
		ACFX	51145	
		ACFX	51146	
		ACFX	51147	
J M HUBER CORPORATION	3840			5
J M HUBER CORPORATION				5
MILES INC.	3741			
MILES INC.	3741	ACFX	39192	1
MILES INC.	5594	ACFX	38963	
		ACFX	39628	
		ACFX	39633	
MILES INC.	5594			3
MILES INC.	5878	ACFX	38833	
MILES INC.	5878			1
MILES INC.	5984	ACFX	38334	
MILES INC.	5984			1
MILES INC.				6
MONSANTO COMPANY	3544	ACFX	76807	
		ACFX	76808	
		ACFX	76809	
		ACFX	76810	
		ACFX	76811	
		ACFX	76812	
		ACFX	76813	
		ACFX	76814	
MONSANTO COMPANY	3544			8
MONSANTO COMPANY				8
NATIONAL STARCH AND CHEMICAL COMP	3553	ACFX	59954	
		ACFX	59955	
		ACFX	59956	
		ACFX	59957	
		ACFX	59958	
NATIONAL STARCH AND CHEMICAL COMP	3553			5
NATIONAL STARCH AND CHEMICAL COMP	3662	ACFX	51012	

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
NATIONAL STARCH AND CHEMICAL COMP	3662	ACFX 51013 ACFX 51014 ACFX 51015 ACFX 51016	
NATIONAL STARCH AND CHEMICAL COMP	3662		5
NATIONAL STARCH AND CHEMICAL COMP	3791	ACFX 51163 ACFX 51164 ACFX 51165	
NATIONAL STARCH AND CHEMICAL COMP	3791		3
NATIONAL STARCH AND CHEMICAL COMP	3838	ACFX 51180 ACFX 51181 ACFX 51182	
NATIONAL STARCH AND CHEMICAL COMP	3838		3
NATIONAL STARCH AND CHEMICAL COMP	3850	ACFX 51190 ACFX 51191 ACFX 51192 ACFX 51193 ACFX 51194 ACFX 51196 ACFX 51197 ACFX 51198 ACFX 51199 ACFX 51200	
NATIONAL STARCH AND CHEMICAL COMP	3850		10
NATIONAL STARCH AND CHEMICAL COMP			26
NESTE RESINS CANADA	6005	ACFX 76982 ACFX 76985 ACFX 76988	
NESTE RESINS CANADA	6005		3
NESTE RESINS CANADA			3
NOVA ENERGY SYSTEMS INC.	3217	ACFX 38598 ACFX 38643 ACFX 38645	
NOVA ENERGY SYSTEMS INC.	3217		3
NOVA ENERGY SYSTEMS INC.	3446	ACFX 38370 ACFX 38371 ACFX 38372 ACFX 38373 ACFX 38374 ACFX 38375 ACFX 38376 ACFX 38377 ACFX 38378	

03/03/95

SCHEDULE B TO SECURITY AGREEMENT

PAGE

6

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
NOVA ENERGY SYSTEMS INC.	3446	ACFX 38379	
		ACFX 38706	
		ACFX 38707	
		ACFX 38708	
		ACFX 38709	
		ACFX 38710	
		ACFX 38711	
		ACFX 38712	
		ACFX 38713	
		ACFX 38714	
		ACFX 38715	
		ACFX 38716	
		ACFX 38717	
		ACFX 38718	
		ACFX 38719	
		ACFX 38720	
		ACFX 38721	
		ACFX 38722	
		ACFX 38723	
		ACFX 38724	
		ACFX 38725	
		ACFX 38726	
		ACFX 38727	
		ACFX 38728	
		ACFX 38729	
		ACFX 38730	
		ACFX 38731	
		ACFX 38732	
		ACFX 38733	
		ACFX 38734	
		ACFX 38735	
		ACFX 38736	
		ACFX 38737	
		ACFX 38738	
		ACFX 38739	
NOVA ENERGY SYSTEMS INC.	3446		44
NOVA ENERGY SYSTEMS INC.	52800002	ACFX 38530	
		ACFX 38532	
		ACFX 38533	
		ACFX 38535	
		ACFX 38537	
		ACFX 38538	
		ACFX 38540	
		ACFX 38542	
		ACFX 38544	
		ACFX 38549	
		ACFX 38550	
		ACFX 38553	
		ACFX 38557	
		ACFX 38560	

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
NOVA ENERGY SYSTEMS INC.	52800002	ACFX 38561	
		ACFX 38563	
		ACFX 38564	
		ACFX 38565	
		ACFX 38567	
		ACFX 38568	
		ACFX 38569	
		ACFX 38572	
		ACFX 38578	
		ACFX 38579	
		ACFX 38580	
		ACFX 38583	
		ACFX 38584	
		ACFX 38588	
		ACFX 38591	
		ACFX 38597	
		ACFX 38599	
		ACFX 38606	
		ACFX 38613	
		ACFX 38616	
		ACFX 38621	
		ACFX 38623	
		ACFX 38626	
		ACFX 38627	
		ACFX 38629	
		ACFX 38634	
		ACFX 38635	
		ACFX 38637	
		ACFX 38641	
		ACFX 38655	
		ACFX 38656	
		ACFX 38658	
		ACFX 38676	
		ACFX 38677	
NOVA ENERGY SYSTEMS INC.	52800002		48
NOVA ENERGY SYSTEMS INC.			95
OCCIDENTAL CHEMICAL CORPORATION	48860074	ACFX 39318	
OCCIDENTAL CHEMICAL CORPORATION	48860074		1
OCCIDENTAL CHEMICAL CORPORATION			1
PENFORD PRODUCTS CO.	3802	ACFX 51166	
		ACFX 51167	
		ACFX 51168	
		ACFX 51169	
		ACFX 51170	
		ACFX 51171	
		ACFX 51172	
		ACFX 51173	

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
PENFORD PRODUCTS CO.	3802	ACFX 51174	
PENFORD PRODUCTS CO.	3802	ACFX 51175	10
PENFORD PRODUCTS CO.			10
PENNZOIL PRODUCTS COMPANY	4786	ACFX 71198	
		ACFX 71199	
		ACFX 71213	
		ACFX 71215	
		ACFX 71219	
		ACFX 71222	
		ACFX 71224	
PENNZOIL PRODUCTS COMPANY	4786		7
PENNZOIL PRODUCTS COMPANY			7
PETROMONT AND COMPANY	5361	ACFX 38531	
		ACFX 38534	
		ACFX 38541	
		ACFX 38543	
		ACFX 38546	
		ACFX 38547	
		ACFX 38548	
		ACFX 38552	
		ACFX 38556	
		ACFX 38558	
PETROMONT AND COMPANY	5361		10
PETROMONT AND COMPANY	5554	ACFX 38539	
		ACFX 38958	
		ACFX 38959	
		ACFX 39632	
		ACFX 39644	
		ACFX 39646	
		ACFX 39649	
		ACFX 39652	
		ACFX 39653	
PETROMONT AND COMPANY	5554		9
PETROMONT AND COMPANY			19
PROCTER & GAMBLE MFG COMPANY	96750214	ACFX 51183	
		ACFX 51184	
		ACFX 51185	
		ACFX 51186	
		ACFX 51187	
		ACFX 51188	
		ACFX 51189	
PROCTER & GAMBLE MFG COMPANY	96750214		7

03/03/95

SCHEDULE B TO SECURITY AGREEMENT

PAGE

9

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
PROCTER & GAMBLE MFG COMPANY	96750523	ACFX 51152	
		ACFX 51158	
		ACFX 51162	
PROCTER & GAMBLE MFG COMPANY	96750523		3
PROCTER & GAMBLE MFG COMPANY			10
QUANTUM CHEMICAL CORPORATION	3607	ACFX 76877	
		ACFX 76878	
		ACFX 76879	
		ACFX 76880	
		ACFX 76881	
		ACFX 76882	
		ACFX 76883	
		ACFX 76884	
		ACFX 76885	
		ACFX 76886	
		ACFX 76887	
		ACFX 76888	
		ACFX 76889	
		ACFX 76890	
		ACFX 76891	
		ACFX 76892	
		ACFX 76893	
		ACFX 76894	
		ACFX 76895	
		ACFX 76896	
QUANTUM CHEMICAL CORPORATION	3607		20
QUANTUM CHEMICAL CORPORATION	3749	ACFX 40305	
		ACFX 40306	
		ACFX 40307	
		ACFX 40308	
		ACFX 40309	
		ACFX 40310	
		ACFX 40311	
		ACFX 40312	
		ACFX 40313	
		ACFX 40314	
		ACFX 40315	
		ACFX 40316	
		ACFX 40317	
		ACFX 40318	
		ACFX 40319	
		ACFX 40320	
		ACFX 40321	
		ACFX 40322	
		ACFX 40323	
		ACFX 40324	
		ACFX 40354	
		ACFX 40393	

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
QUANTUM CHEMICAL CORPORATION	3749		22
QUANTUM CHEMICAL CORPORATION	3751	ACFX 39376	
		ACFX 39379	
		ACFX 39380	
		ACFX 39412	
		ACFX 39413	
		ACFX 39429	
		ACFX 39431	
		ACFX 39432	
		ACFX 39434	
		ACFX 39435	
		ACFX 39436	
		ACFX 39437	
		ACFX 39438	
		ACFX 39439	
		ACFX 39440	
		ACFX 39441	
		ACFX 39442	
		ACFX 39443	
		ACFX 39444	
		ACFX 39445	
		ACFX 39446	
		ACFX 39447	
		ACFX 39448	
		ACFX 39449	
		ACFX 39450	
		ACFX 39451	
		ACFX 39452	
		ACFX 39453	
		ACFX 39454	
		ACFX 39455	
		ACFX 39456	
		ACFX 39457	
		ACFX 39458	
		ACFX 39459	
		ACFX 39460	
		ACFX 39461	
		ACFX 39462	
		ACFX 39463	
		ACFX 39464	
		ACFX 39465	
		ACFX 39466	
		ACFX 39468	
		ACFX 39469	
		ACFX 39470	
		ACFX 39471	
		ACFX 39472	
QUANTUM CHEMICAL CORPORATION	3751		46
QUANTUM CHEMICAL CORPORATION			88

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
SCM CHEMICALS INC.	40570003	ACFX 71482	
		ACFX 71483	
		ACFX 71484	
		ACFX 71485	
		ACFX 71486	
		ACFX 71487	
		ACFX 71488	
SCM CHEMICALS INC.	40570003		7
SCM CHEMICALS INC.	40570005	ACFX 71489	
		ACFX 71490	
		ACFX 71491	
		ACFX 71492	
		ACFX 71493	
		ACFX 71494	
		ACFX 71495	
SCM CHEMICALS INC.	40570005		7
SCM CHEMICALS INC.			14
WESTLAKE PVC CORPORATION	58320003	ACFX 38786	
		ACFX 38787	
		ACFX 38788	
		ACFX 38789	
		ACFX 38790	
		ACFX 38791	
		ACFX 38792	
		ACFX 38793	
		ACFX 38794	
		ACFX 38795	
		ACFX 38796	
		ACFX 38797	
		ACFX 38798	
		ACFX 38799	
		ACFX 38800	
		ACFX 38801	
		ACFX 38802	
		ACFX 38803	
		ACFX 38804	
		ACFX 38805	
		ACFX 38806	
		ACFX 38807	
		ACFX 38808	
		ACFX 38810	
		ACFX 38811	
		ACFX 38812	
		ACFX 38813	
		ACFX 38814	
		ACFX 38815	
		ACFX 38816	
		ACFX 38817	

03/03/95

SCHEDULE B TO SECURITY AGREEMENT

PAGE

12

LESSEE	CONTRACT/ RIDER		CAR IDENT	TOTAL CARS
WESTLAKE PVC CORPORATION	58320003	ACFX	38818	
		ACFX	38819	
		ACFX	38820	
		ACFX	38821	
		ACFX	38822	
		ACFX	38823	
		ACFX	38824	
		ACFX	38825	
		ACFX	38826	
		ACFX	38827	
		ACFX	38828	
		ACFX	38829	
WESTLAKE PVC CORPORATION	58320003			43
WESTLAKE PVC CORPORATION				43
WORLD MINERALS INC.	5656	ACFX	38389	
		ACFX	38390	
		ACFX	38391	
		ACFX	38392	
		ACFX	38393	
		ACFX	38394	
		ACFX	38395	
		ACFX	38396	
		ACFX	38397	
		ACFX	38398	
WORLD MINERALS INC.	5656			10
WORLD MINERALS INC.				10
				438